GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:1531
ANSWERED ON:13.03.2002
ASSISTANCE TO STATES
CHANDRA BHUSHAN SINGH

Will the Minister of PLANNING be pleased to state:

(a) Whether the Government propose to bring out an Uniform Relief Policy with regard to paying of central assistance to the State Government

(b) if so, the details thereof ;

(c) whether the Government have received any proposal in this regard from various States; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY O PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) & (b) The Plan assistance for the Special Category States and Non-Special Category States is released in the Grant :Loan ratio of 90:10 and 30:70 respectively. A change in the existing ratio has implications on Centre`s revenue and capital receipts and thereby the Plan assistance to the States. Hence, any decision in the change in the existing Grant : Loanratio would be based on overall resource position of the Centre and decision of the National Development Council (NDC) in this regard.

(C) & (d) Since the States have sought a revision of the Gadgil Formula for allocationof Normal Central Assistance (NCA) to States, Planning Commission has sought their views and suggestions have been received from various State Governments. However, there is vide divergence in the views amongst the States in this regard. In general, while the advanced States have sought higher weightage for performance, the less advanced States have sought higher weightage for backwardness. Hence, the Full Planning Commission in its meeting held on 27th and 29th June, 2001 discussed, inter-alia, the issue of revision of Gadgil Formula andin view of the divergence of the views among the State Governments and the sensitivity ofthis issue, it was decided that it would be necessary to discuss this further and evolve a consensus before alternatives are considered by the NDC.